

1. Introduction

The Fiscal Year 1998 Annual Report is developed as a tool to communicate with staff, customers, and other stakeholders. The report outlines the significant accomplishments achieved and summarizes the resources utilized toward this end.

The annual report also serves as an opportunity to evaluate the success of our planning/budgeting processes and to identify opportunities for improvement.

2. Strategic Accomplishments

Fiscal year 1998 was a continuation of our efforts to become an efficient, cost effective, and patient focused organization. The redesign and relocation of primary care clinics and their support functions to the hospital's ground level have improved patient access and convenience. This coupled with improved priority parking for patients and visitors has demonstrated a focus on customer service and satisfaction. To further stress the importance of patients and their families' concerns, the Office of Patient Relations resolves complaints in an appropriate and timely manner. Complaints are documented, tracked, and trended to ensure resolution. When feasible, a patient representative visits every new admission to inform them of their rights and responsibilities and to identify concerns.

The expansion of primary care capacity through staff redirection and physical plant improvements has enabled the medical center to enroll 15,000 patients with plans to increase this number by one-third in the near future. The telephone advice program has been expanded to five staff members who provide services which reduce unnecessary trips to the medical center, as well as, improve patient outcomes and satisfaction. The hoptel function has provided a much needed service to veterans and their families while permitting the facility to more effectively use available beds. The first "stand down" was conducted for homeless veterans in Mississippi to address unmet health and social needs of this special population. The medical center also conducted nearly 40 health screening activities throughout rural Mississippi which provided needed preventive health interventions to nearly 2,000 veterans and 500 spouses. The activation of the Meridian Community Based Outpatient Clinic (CBOC) in July 1998 provided improved access to nearly 600 veterans and will be expanded to 2,000 or more over the next year. Approval for establishing three additional CBOCs will further enhance access to primary care services by rural veterans. Clinic waiting times are being reduced and clinical pathways have been implemented.

In our continued effort to provide better customer service, the "Mystery Shopper" program was initiated. Mystery shoppers are individuals from another VA facility who arrive at the medical center and pose as patients in need of medical care. These individuals make unannounced visits to the facility and have been trained to evaluate services received, i.e., staff courtesy, timeliness, coordination of care, etc. The mystery shopper program will be ongoing and will provide continuous feedback to our facility.

The infrastructure of the medical center is in excellent condition and an important component of customer service efforts to provide an attractive, well maintained, and a consumer friendly environment. The medical center received authorization to re-design the outpatient entrance area and to design the second floor of the Radiation Therapy Building for ambulatory care clinics. The re-design of the outpatient entrance will result in improved utilization of space and pedestrian /automobile traffic flow. The renovation of the final inpatient area, 2A north and south, will provide the facility with 8 hoptel rooms, 2 beds in each room. Facility Management Service (FMS) has developed a maintenance and environmental support program to ensure customer expectations are not only met, but far exceed any standard established by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Performance improvement programs are shared between FMS and every service to assure 100% completion of all maintenance and environmental issues.

To provide a better continuum of care for mental health patients, a mental health product line was developed in FY 98. The product line manager has unified Social Work, Psychology, Nursing, and Psychiatry Services under one umbrella. A telephone follow-up clinic was also established to promote coordination of care for mental health patients.

The growth and effectiveness of the Clinical Pastoral Education program was acknowledged through receipt of a VA "Scissors Award." This program established the medical center as a training center for hospital chaplains and provides a valuable service to veterans.

Communication enhancements continue to solidify customer loyalty and awareness of issues that affect their preference decisions. The production of the weekly employee newsletter, quarterly patient newsletter, and a bimonthly stakeholder newsletter keeps these constituencies informed of the facility's important advances. An innovated customer feedback initiative using an internet-based e-mail news group of patients was established with an initial subscriber list of 150.

The Office of External Programs, which manages sharing agreements and markets VAMC healthcare services to the public and private sectors, was expanded to include a free standing and self-funded clinical team. The addition of the ShareCare Clinic in February 1998 resulted in gross revenue of nearly \$1 million for FY 98 used to enhance existing veteran programs. Enrollment in sharing agreement health plans has increased dramatically with over 250 CHAMPVA beneficiaries, nearly 500 active reserve military personnel, and 200 TRICARE patients receiving services regularly from the ShareCare clinic.

JCAHO conducted a survey of our facility in August 1998. The medical center scored 98, with commendation, in both hospital and long-term care. No type I recommendations were noted. Surveyors identified many best practices including art therapy and Durant CBOC oversight.

The medical center's continued support of Equal Employment Opportunity is evidenced by the active Historically Black Colleges and Universities (HBCU) program. During the year, three HBCU graduate students were placed in cooperative education training opportunities throughout the medical center.

The medical center continued to work hard in support of national initiatives. There were continued reductions in bed days of care, conversions to ambulatory care and ambulatory surgery, expansion of primary care, and the implementation of Vista Integrated Imaging. As a result of our success, improvement in customer satisfaction is voiced frequently by our constituents and stakeholders alike. We will continue on our path to provide excellent patient care and strive to be the hospital of choice.

3. Budget Execution

Our FY 98 approved budget allocated \$80,883,656 for personal services (including residents and trainees), and we ended the fiscal year with a cumulative employment level of 1,505.5.

- This was an increase of 10.7 full-time equivalent employees (FTEE) over fiscal year 1997.
- Nursing Service, the medical center's largest service, achieved a cumulative employment level (including dialysis and excluding ward administration) of 446.0 (.4 FTEE less than FY 1997).
- All other funding totaled \$42,160,192 in addition to \$6,050,000 that was transferred to Murfreesboro Consolidated Mail-Out Pharmacy in support of the pharmaceuticals processed for our patients (including state homes and community nursing homes).

4. Workload Summary

Inpatient workload continued to decrease in accordance with our strategic plan to shift inpatient workload to an ambulatory basis and ensure that all admissions are appropriate with discharge being within standard norms.

- FY 98 average inpatient census was 134; FY 97 was 169
- FY 98 inpatients treated were 5,511; FY 97 was 6,172
- Medical Service treated 2,649 inpatients; FY 97 was 3,090
- Surgical Service treated 1,156 inpatients; FY 97 was 1,382
- Neurology Service treated 265 inpatients; FY 97 was 292
- Psychiatry Service treated 1,166 inpatients; FY 97 was 1,408
- Outpatient visits increased to a record high of 202,422
- Unique patients treated increased to 27,200
- 240 patients were treated in our nursing home care unit (NHCU)

- Turnover rate increased in every bed section in FY 98:

Medical	-	from 355% in FY 97 to 392% in FY 98
Neurology	-	from 225% in FY 97 to 243% in FY 98
Surgical	-	from 345% in FY 97 to 426% in FY 98
Psychiatry	-	from 202% in FY 97 to 245% in FY 98
Int. Medicine	-	from 0% in FY 97 to 239% in FY 98

5. Capital Improvement Projects

FY 98 was another year full of major capital improvements. Senior management is dedicated to improvements to our medical center so that G.V. (Sonny) Montgomery VAMC will remain competitive in terms of quality care and efficiency. These improvements also have been a major factor in our ability to attract new (outside) revenue sources.

- Replaced the Fire Alarm System with an Addressable System. This project allowed the medical center to replace the previous fire alarm system with a device specific system.
- Provided the Nursing Home Care Unit with a Wandering Unit for the Alzheimer's patient population. The unit is equipped with automatic doors and a fenced in outdoor walkway.
- Provided new state-of-the-art VISTA Integrated Imaging equipment to replace film processed x-rays throughout the medical center.
- Modernized wards 2A North and 2A South, Surgical Wards, to provide private/semi-private patient rooms with baths. The newly renovated wards will also house 16 hoptel beds.
- Primary Care Purple Clinic was expanded to provide additional space and improve accessibility for our patients.
- Renovations and moves were completed for chaplain service, voluntary service and telephone advice program personnel.

Equipment

FY 98 was another successful year in terms of equipment acquisition. In FY 98, \$2,098,476 of equipment was purchased in support of our strategic plan to maintain state-of-the-art equipment.

Significant enhancements in excess of \$100,000 include:

- MICU Telemetry System
- Ultrasound Unit

- Radiographic/Fluoroscopic Units (2 each)
- Medical Waste Processor

In addition to the above, we received funding from the Network to purchase equipment totaling \$2,532,882 for the implementation of the Vista Integrated Imaging program.

To maximize flexibility in meeting our 1999 Strategic Plan and 1999 Network Performance Goals, \$998,000 of equipment funds were carried to FY 99.

ADP Equipment

FY 98 again proved to be a highly successful year for ADP procurement. We were able to supplement our core computer system, as well as, provide a wide variety of computer equipment to the medical center. Listed below are a few of the more significant procurements.

- 550 state of the art computers and 125 laser/desk jet printers
- The Vista Integrated Imaging System
- The Clinical Information Resource Network
- T1 lines were converted to High-Speed Frame Relay to improve Network traffic throughout VISN 16

6. Effectiveness of Financial Planning and Execution

The medical center's program for financial planning, long-term and capital expenditure planning, and budget execution is established in the following medical center document/policies:

- The Leadership Guide for Operational Planning
- CPM A-00-08 Executive Leadership Board (Attachment B)
Administrative Equipment Committee (Attachment B-06)
Clinical Equipment Committee (Attachment C-12)
Resource Management Committee (B-02)

These policies/documents define the process in which each service participates in the development of the budget (including staffing levels, supply fund control points, equipment, and facility construction and renovation projects). Each service's request are reviewed and considered relative to their support of the medical center's mission, vision, and values statement and FY 99 Strategic Plan. Our key committees participate in prioritization of budget requests, and recommendations are reviewed and forwarded to the Executive Council for final approval. The Executive Council ensures that appropriate measures are established for each goal and progress is monitored semi-annually.

Evidence of the effectiveness of our financial planning and budget execution includes the following:

- The medical center did not have to request additional funding or FTE ceiling during the fiscal year.
- Financial forecasting systems monitoring (FTE and funds) has been adequate to provide timely information, and the leadership structures in place (Resource Management Committee and Executive Council) have effectively modified plans when necessary, ensuring that quality patient care was maintained.
- Financial planning and budget execution have fully supported the medical center's mission, vision, and values, and have been closely aligned with the medical center's strategic plan, as evidenced by the high degree of successful completion of strategic goals.
- Physical plant improvements have been significant and resulted in a facility that is regularly singled out by patients and visitors as "one of the nicest Veterans Affairs Hospitals in the system."
- Physical plant improvements are closely aligned with the strategic plan as evidenced by completion of the new primary care clinic space.
- Equipment replacement and procurement remain high priorities, as evidenced by the few emergency purchases and satisfaction of our clinical staff with the quality of our equipment.
- ADP enhancements continue both at the system level and personal computer level, and are evidenced by our facility being able to take a lead role in new ADP hardware and software initiatives.
- Most importantly, all of our financial planning systems and capital expenditure systems are based on the concept of input from the service level, with prioritization of plans being accomplished by our various leadership boards after careful evaluation of our mission and strategic plan.

Annually, a review of our financial planning and accomplishments (this document) enables us to evaluate the effectiveness of the program and recommend improvements. Also, the annual management briefing of each service ensures that services have input to all planning and have knowledge of planning processes. Financial and programmatic achievements are communicated in a variety of ways, one being wide circulation of this annual financial summary.